

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01809A
Lakewood Water Company
P. O. Box 733
Amado, AZ 85645



RECEIVED

MAY 12 2005

AZ Corporation Commission
Director Of Utilities

ANNUAL REPORT

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2004 |
|----|----|------|

FOR COMMISSION USE

| | |
|-------|----|
| ANN04 | 04 |
|-------|----|

COMPANY INFORMATION

Company Name (Business Name) _____ Lakewood Water Company _____

Mailing Address _____ 28790 S Nogales Hwy _____
(Street)

_____ **Amado** _____ **Arizona** _____ **85645** _____
(City) (State) (Zip)

_____ 520-398-9815 _____ 520-398-9815 _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address _____ **28790 S Nogales Hwy – P.O. Box 733** _____
(Street)

_____ **Amado** _____ **Arizona** _____ **85645** _____
(City) (State) (Zip)

_____ 520-398-9815 _____ 520-398-9815 _____
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: _____ **Christopher W. Hill – President** _____
(Name) (Title)

_____ **P.O. Box 70022** _____ **Tucson** _____ **Arizona** _____ **85737** _____
(Street) (City) (State) (Zip)

_____ **520-297-2185** _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: _____ **David D. Linn** _____
(Name)

_____ **28790 s Nogales Hwy** _____ **Amado** _____ **Arizona** _____ **85645** _____
(Street) (City) (State) (Zip)

_____ 520-398-9815 _____ 520-398-9815 _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Christopher W. Hill
(Name)

2500 W. Lambert Lane Tucson Arizona 85737
(Street) (City) (State) (Zip)

520-297-2185 520-297-2185
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Jill Casson Owen – Snell & Wilmer, LLP
(Name)

1500 Northwest Tower – One S Church St - Tucson Arizona 85701-1630
(Street) (City) (State) (Zip)

520-882-1200 520-882-1294
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

LAKEWOOD WATER CO

YEAR-END 12-31-04

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|--------------|--------------------------------------|-----------------------|-------------------------------------|--------------------------|
| 301 | Organization | 7,704 | 385 | 7,319 |
| 302 | Franchises | 94 | 19 | 75 |
| 303 | Land and Land Rights | 37,221 | - | 37,221 |
| 304 | Structures and Improvements | 21,230 | 6,300 | 14,930 |
| 307 | Wells and Springs | 17,078 | - | 17,078 |
| 311 | Pumping Equipment | 61,788 | 43,874 | 17,914 |
| 320 | Water Treatment Equipment | - | - | - |
| 330 | Distribution Reservoirs & Standpipes | 25,385 | 19,571 | 5,814 |
| 331 | Transmission and Distribution Mains | 84,922 | 67,508 | 17,414 |
| 333 | Services | 10,447 | 8,185 | 2,262 |
| 334 | Meters and Meter Installations | 27,490 | 23,031 | 4,459 |
| 335 | Hydrants | - | - | - |
| 336 | Backflow Prevention Devices | - | - | - |
| 339 | Other Plant and Misc. Equipment | - | - | - |
| 340 | Office Furniture and Equipment | 8,540 | 4,781 | 3,759 |
| 341 | Transportation Equipment | 1,800 | 437 | 1,363 |
| 343 | Tools, Shop and Garage Equipment | 2,548 | 1,661 | 887 |
| 344 | Laboratory Equipment | - | - | - |
| 345 | Power Operated Equipment | 606 | 540 | 66 |
| 346 | Communication Equipment | - | - | - |
| 347 | Miscellaneous Equipment | - | - | - |
| 348 | Other Tangible Plant | - | - | - |
| | TOTALS | 306,853 | 200,544 | 106,309 |

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|--------------|--|----------------------|-----------------------------------|----------------------------------|
| 301 | Organization | 7,704 | .05 | 385 |
| 302 | Franchises | 94 | .05 | 5 |
| 303 | Land and Land Rights | 37,221 | - | - |
| 304 | Structures and Improvements | 21,230 | .05 | 1,062 |
| 307 | Wells and Springs | 17,078 | - | - |
| 311 | Pumping Equipment | 61,788 | .05 | 3,090 |
| 320 | Water Treatment Equipment | - | - | - |
| 330 | Distribution Reservoirs and Standpipes | 25,385 | .05 | 1,269 |
| 331 | Transmission and Distribution Mains | 84,922 | .05 | 4,246 |
| 333 | Services | 10,447 | .05 | 522 |
| 334 | Meters and Meter Installations | 27,490 | .05 | 1,375 |
| 335 | Hydrants | - | - | - |
| 336 | Backflow Prevention Devices | - | - | - |
| 339 | Other Plant and Misc. Equipment | - | - | - |
| 340 | Office Furniture and Equipment | 8,540 | .05 | 427 |
| 341 | Transportation Equipment | 1,800 | .05 | 90 |
| 343 | Tools, Shop and Garage Equipment | 2,548 | .05 | 127 |
| 344 | Laboratory Equipment | - | - | - |
| 345 | Power Operated Equipment | 606 | .05 | 30 |
| 346 | Communication Equipment | - | - | - |
| 347 | Miscellaneous Equipment | - | - | - |
| 348 | Other Tangible Plant | - | - | - |
| | TOTALS | 306,853 | | 12,628 |

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

| Acct No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|-------------|---|------------------------------------|------------------------------|
| | ASSETS | | |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 14,337 | \$ 13,198 |
| 134 | Working Funds | - | - |
| 135 | Temporary Cash Investments | - | - |
| 141 | Customer Accounts Receivable | 5,385 | 4,407 |
| 146 | Notes/Receivables from Associated Companies | - | - |
| 151 | Plant Material and Supplies | 450 | 450 |
| 162 | Prepayments | - | - |
| 174 | Miscellaneous Current and Accrued Assets | 5,000 | 5,000 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 25,172 | \$ 23,055 |
| | Provision for Uncollectible Accounts | (10,390) | (10,390) |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 303,073 | \$ 306,853 |
| 103 | Property Held for Future Use | - | - |
| 105 | Construction Work in Progress | - | - |
| 108 | Accumulated Depreciation – Utility Plant | (188,938) | (200,544) |
| 121 | Non-Utility Property | (6,677) | (6,677) |
| 122 | Accumulated Depreciation – Non Utility | - | - |
| | TOTAL FIXED ASSETS | \$ 107,458 | \$ 99,632 |
| | TOTAL ASSETS | \$ 122,240 | \$ 112,297 |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

| Acct. No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|--------------|--|------------------------------------|------------------------------|
| | LIABILITIES | | |
| | CURRENT LIABILITES | | |
| 231 | Accounts Payable | \$ - | \$ - |
| 232 | Notes Payable (Current Portion) | - | - |
| 234 | Notes/Accounts Payable to Associated Companies | - | - |
| 235 | Customer Deposits | 4,550 | 4,260 |
| 236 | Accrued Taxes | 5,387 | 5,215 |
| 237 | Accrued Interest | - | - |
| 241 | Miscellaneous Current and Accrued Liabilities | - | - |
| | TOTAL CURRENT LIABILITIES | \$ 9,937 | \$ 9,475 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ 23,098 | \$ 19,227 |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | \$ - | \$ - |
| 252 | Advances in Aid of Construction | 12,699 | 12,079 |
| 255 | Accumulated Deferred Investment Tax Credits | - | - |
| 271 | Contributions in Aid of Construction | 17,153 | 17,077 |
| 272 | Less: Amortization of Contributions | (5,519) | (4,665) |
| 281 | Accumulated Deferred Income Tax | - | - |
| | TOTAL DEFERRED CREDITS | \$ 24,333 | \$ 24,492 |
| | TOTAL LIABILITIES | \$ 57,368 | \$ 53,194 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ 15,790 | \$ 15,790 |
| 211 | Paid in Capital in Excess of Par Value | (790) | (790) |
| 215 | Retained Earnings ('04 includes prior yr adj of \$1,020) | 49,872 | 44,103 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | - | - |
| | TOTAL CAPITAL | \$ 64,872 | \$ 59,103 |
| | TOTAL LIABILITIES AND CAPITAL | \$ 122,240 | \$ 112,297 |

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|--------------|-------------------------------------|------------|--------------|
| 461 | Metered Water Revenue | \$ 92,621 | \$ 92,954 |
| 460 | Unmetered Water Revenue | | |
| 474 | Other Water Revenues | 9,066 | 1,482 |
| | TOTAL REVENUES | \$ 101,687 | \$ 94,436 |
| | | | |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ 23,699 | \$ 26,182 |
| 610 | Purchased Water | - | - |
| 615 | Purchased Power | 7,043 | 8,212 |
| 618 | Chemicals | 109 | 221 |
| 620 | Repairs and Maintenance | 1,832 | 2,413 |
| 621 | Office Supplies and Expense | 3,357 | 2,346 |
| 630 | Outside Services | 21,890 | 22,613 |
| 635 | Water Testing | 1,834 | 2,068 |
| 641 | Rents | 4,200 | 5,000 |
| 650 | Transportation Expenses | - | 1,511 |
| 657 | Insurance - General Liability | 2,363 | 2,187 |
| 659 | Insurance - Health and Life | - | - |
| 665 | Regulatory Commission Expense | - | 762 |
| 675 | Miscellaneous Expense & Bad Debts | 3,328 | 2,626 |
| 403 | Depreciation Expense | 13,293 | 13,482 |
| 408 | Taxes Other Than Income | 1,772 | 1,952 |
| 408.11 | Property Taxes | 7,772 | 7,357 |
| 409 | Income Tax | 50 | 50 |
| | TOTAL OPERATING EXPENSES | \$ 92,542 | \$ 98,982 |
| | | | |
| | OPERATING INCOME/(LOSS) | \$ 9,145 | \$ (4,546) |
| | | | |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$ - | \$ - |
| 421 | Non-Utility Income | - | - |
| 426 | Miscellaneous Non-Utility Expenses | - | - |
| 427 | Interest Expense | (2,861) | (2,243) |
| | TOTAL OTHER INCOME/(EXPENSE) | \$ (2,861) | \$ (2,243) |
| | | | |
| | NET INCOME/(LOSS) | \$ 6,284 | \$ (6,789) |

| | | |
|---------------------|--------------------------|--------------------------|
| COMPANY NAME | LAKEWOOD WATER CO | YEAR-END 12-31-04 |
|---------------------|--------------------------|--------------------------|

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|----------------|----------------|----------------|----------------|
| Date Issued | 10-25-2000 | 10-25-2000 | | |
| Source of Loan | G. Buscher | V. Buscher | | |
| ACC Decision No. | 62951 | 62951 | | |
| Reason for Loan | Purchase Land | Purchase Land | | |
| Dollar Amount Issued | \$18,000 | \$15,000 | \$ | \$ |
| Amount Outstanding | \$10301 | \$8584 | \$ | \$ |
| Date of Maturity | 3-1-2008 | 3-1-2008 | | |
| Interest Rate | 10.5% | 10.5% | % | % |
| Current Year Interest | \$1223 | \$1019 | \$ | \$ |
| Current Year Principle | \$2112 | \$1759 | \$ | \$ |

Meter Deposit Balance at Test Year End \$5170

Meter Deposits Refunded During the Test Year \$480

| | | |
|---------------------|--------------------------|--------------------------|
| COMPANY NAME | LAKEWOOD WATER CO | YEAR-END 12-31-04 |
|---------------------|--------------------------|--------------------------|

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|----------------------------|----------------------------|-----------------------------|------------------------------------|---|--------------------------------|-------------------------|
| 55-629430 | 20 | 250 | 257 | 10" | 3" | 1972 |
| 55-629431 | 25 | 320 | 254 | 14" | 3" | 1972 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|----------------------------|---------------------------|---|
| | | |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|----------------------|-----------------|--------------------------|-----------------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| | | | |
| | | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|----------------------|-----------------|-----------------------|-----------------|
| Capacity | Quantity | Capacity | Quantity |
| | | 5000 gallons | 2 |
| | | | |
| | | | |

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

| | | |
|--------------|-------------------|-------------------|
| COMPANY NAME | LAKEWOOD WATER CO | YEAR-END 12-31-04 |
|--------------|-------------------|-------------------|

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|-------------------|------------------|
| 2 | PVC, steel | |
| 3 | | |
| 4 | A/C, C900 | |
| 5 | | |
| 6 | PVC, C900, A/C | |
| 8 | | |
| 10 | | |
| 12 | | |
| | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | 291 |
| 3/4 | |
| 1 | 6 |
| 1 1/2 | 1 |
| 2 | 1 |
| Comp. 3 | |
| Turbo 3 | |
| Comp. 4 | |
| Tubo 4 | |
| Comp. 6 | |
| Tubo 6 | |
| | |
| | |

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

Chlorination at both well
heads

STRUCTURES:

OTHER:

COMPANY NAME:

LAKEWOOD WATER CO

YEAR-END 12-31-04

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD | GALLON PUMPED (Thousands) |
|-----------|---------------------|--------------|---------------------------|
| JANUARY | 298 | 2446520 | 3285.4 |
| FEBRUARY | 298 | 2684610 | 3168.0 |
| MARCH | 296 | 3101740 | 4227.5 |
| APRIL | 295 | 3634510 | 4187.5 |
| MAY | 296 | 4747395 | 5806.3 |
| JUNE | 298 | 5551080 | 6608.4 |
| JULY | 297 | 4795870 | 5612.2 |
| AUGUST | 300 | 4823950 | 5967.5 |
| SEPTEMBER | 299 | 4391940 | 5502.5 |
| OCTOBER | 299 | 3722240 | 4490.8 |
| NOVEMBER | 299 | 3192860 | 3931.0 |
| DECEMBER | 299 | 2835390 | 4807.4 |
| TOTAL | | N/A | 60927.6 |

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ (X) Yes☐ () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ () Yes☒ (X) No

If yes, provide the GPCPD amount: _____

Well # 55-629430 - .011 mg/l

What is the level of arsenic for each well on your system. _#55-629431 - .0074 mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

LAKEWOOD WATER CO
CHRISTOPHER W. HILL/PRESIDENT
P O BOX 733
AMADO AZ 85645

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2004 REAL ESTATE TAXES

| BOOK | MAP | PARCEL | TOTAL TAX ASSESSED | DATE |
|------|-----|--------|--------------------|-----------|
| 914 | 53 | 0000 | \$ 6,967.29 | 5/11/2005 |

| PAYMENTS | | | | | |
|--------------|-------------|------------|---------------|-----------|------------|
| PAYMENT DATE | DESCRIPTION | TAX PAID | INTEREST PAID | FEES PAID | TOTAL |
| 04/29/2005 | SECOND HALF | \$3,483.64 | \$0.00 | \$0.00 | \$3,483.64 |
| | TOTAL PAID | \$3,483.64 | \$0.00 | \$0.00 | \$3,483.64 |

PROPERTY ADDRESS

TAX YEAR 2004 BALANCE DUE

| DESCRIPTION | AMOUNT |
|----------------------|--------|
| FIRST HALF TAX DUE | \$0.00 |
| SECOND HALF TAX DUE | \$0.00 |
| NSF FEE DUE | \$0.00 |
| RECLAIMED REFUND DUE | \$0.00 |
| TOTAL AMOUNT DUE | \$0.00 |

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

115 North Church Avenue - Tucson, Arizona 85701-1199 - Phone (520) 740-8341 - Fax (520) 884-4809

| BOOK | STATE CODE # MAP | PARCEL | AREA CODE | PRIMARY TAX RATE PER \$100 ASSESSED VALUE | SECONDARY TAX RATE PER \$100 ASSESSED VALUE | IRRIGATION DISTRICT \$ PER ACRE |
|------|---------------------|--------|--------------|--|--|------------------------------------|
| 304 | 32 | 461B3 | 3000 | 9.8117 | 5.9133 | |

| | VALUE IN DOLLARS | ASSESSMENT RATIO | ASSESSED VALUE IN DOLLARS | EXEMPTIONS | NET ASSESSED VALUE |
|-------------------|------------------|---------------------|------------------------------|------------|-----------------------|
| LIMITED | 500 | 16.0 | 80 | | 80 |
| FULL CASH | 500 | 16.0 | 80 | | 80 |
| PERSONAL PROPERTY | | | | | |

| | | JURISDICTION | 2004 TAXES | 2003 TAXES | DIFFERENCE |
|-----------------------------|-------|------------------|---------------|---------------|------------|
| PRIMARY PROPERTY TAX | 7.85 | PIMA COUNTY PRI | 3.26 | 3.25 | .01 |
| | | SCHOOL EQUAL. | .36 | .38 | .02 |
| LESS STATE AID TO EDUCATION | .00 | SAHUARITA 30 PRI | 3.34 | 3.78 | .44 |
| | | PIMA COLLEGE PRI | .89 | .91 | .02 |
| NET PRIMARY PROPERTY TAX | 7.85 | COUNTY BONDS SEC | .65 | .65 | 0.00 |
| | | SAHUARITA 30 SEC | 3.31 | 3.42 | .11 |
| SECONDARY PROPERTY TAX | 4.72 | PIMA COLLEGE SEC | .18 | .28 | .10 |
| | | CEN ARIZ WTR SEC | .10 | .10 | 0.00 |
| TOTAL TAX DUE FOR 2004 | 12.57 | PIMA CO FLD SEC | .28 | .28 | 0.00 |
| | | LIBRARY DISTRICT | .17 | .17 | 0.00 |
| | | FIRE DIST ASSIST | .03 | .04 | .01 |

PCL APPROX 25' X 35' IN SE4 SE4 SE4

(WELLSITE) .02 AC SEC 36-19-12

TOTALS

12.57

13.26

.69

PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2004. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 2, 2005. The minimum acceptable payment is 10 or 10% of the payment due, whichever is greater.

0199424 01 AC 0.275 **AUTOCR T7 5 0781 85645-07333
AUTOCR**B-007

|||||
CAYETANO INC DBA LAKEWOOD WATER CO
ATTN: CHRISTOPHER W HILL
PO BOX 733
AMADO AZ 85645-0733

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

Please make your check payable to

Beth Ford, Pima County Treasurer and mail to:

Beth Ford
Pima County Treasurer
PO Box 98765
Phoenix AZ 85038-0765



PLEASE INCLUDE YOUR
STATE CODE NUMBER
ON YOUR CHECK

| BOOK | STATE CODE # MAP | PARCEL | AREA CODE | PRIMARY TAX RATE PER \$100 ASSESSED VALUE | SECONDARY TAX RATE PER \$100 ASSESSED VALUE | IRRIGATION DISTRICT \$ PER ACRE |
|------|---------------------|--------|--------------|--|--|------------------------------------|
| 914 | 53 | 00008 | 3000 | 9.8117 | 5.9133 | |

| | VALUE IN DOLLARS | ASSESSMENT RATIO | ASSESSED VALUE IN DOLLARS | EXEMPTIONS | NET ASSESSED VALUE |
|-------------------|------------------|---------------------|------------------------------|------------|-----------------------|
| LIMITED | 13,744 | 25.0 | 3,436 | | 3,436 |
| FULL CASH | 13,744 | 25.0 | 3,436 | | 3,436 |
| PERSONAL PROPERTY | 167,256 | 25.0 | 41,814 | | 41,814 |

| | | JURISDICTION | 2004 TAXES | 2003 TAXES | DIFFERENCE |
|-----------------------------|----------|------------------|---------------|---------------|------------|
| PRIMARY PROPERTY TAX | 4,439.79 | PIMA COUNTY PRI | 1,842.57 | 1,842.58 | .01 |
| | | SCHOOL EQUAL. | 206.35 | 213.44 | 7.09 |
| LESS STATE AID TO EDUCATION | .00 | SAHUARITA 30 PRI | 1,886.65 | 2,140.64 | 253.99 |
| | | PIMA COLLEGE PRI | 504.22 | 513.95 | 9.73 |
| NET PRIMARY PROPERTY TAX | 4,439.79 | COUNTY BONDS SEC | 368.79 | 368.80 | .01 |
| | | SAHUARITA 30 SEC | 1,873.40 | 1,936.98 | 63.58 |
| SECONDARY PROPERTY TAX | 2,527.50 | PIMA COLLEGE SEC | 103.40 | 159.55 | 56.15 |
| | | CEN ARIZ WTR SEC | 54.30 | 54.30 | 0.00 |
| TOTAL TAX DUE FOR 2004 | 6,967.29 | PIMA CO FLD SEC | 12.18 | 13.35 | 1.17 |
| | | LIBRARY DISTRICT | 96.11 | 96.11 | 0.00 |
| | | FIRE DIST ASSIST | 19.32 | 19.96 | .64 |

| | | | | | |
|-----------------------------------|--|--|--|--|--|
| TOTAL VALUE OF OPERATING PROPERTY | | | | | |
| TAXPAYER GROUP NO 145 | | | | | |

| | | | |
|--------|----------|----------|--------|
| TOTALS | 6,967.29 | 7,359.66 | 392.37 |
|--------|----------|----------|--------|

TOTAL VALUE OF OPERATING PROPERTY
TAXPAYER GROUP NO 145

PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2004. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 2, 2005. The minimum acceptable payment is \$10 or 10% of the payment due, whichever is greater.

0199429 01 AC 0.275 **AUTOCR T7 5 0781 85645-07333

AUTOCR**B-007



LAKEWOOD WATER CO
CHRISTOPHER W. HILL/PRESIDENT
P O BOX 733
AMADO AZ 85645-0733

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

Please make your check
payable to

Beth Ford, Pima County Treasurer
and mail to:

Beth Ford
Pima County Treasurer
PO Box 98765
Phoenix AZ 85038-0765



PLEASE INCLUDE YOUR
STATE CODE NUMBER
ON YOUR CHECK.

| BOOK | STATE CODE # MAP | PARCEL | AREA CODE | PRIMARY TAX RATE PER \$100 ASSESSED VALUE | SECONDARY TAX RATE PER \$100 ASSESSED VALUE | IRRIGATION DISTRICT \$ PER ACRE |
|-------------------|---------------------|--------|------------------|--|--|------------------------------------|
| 304 | 32 | 420C3 | 3000 | 9.8117 | 5.9133 | |
| | | | | | | |
| | | | VALUE IN DOLLARS | ASSESSMENT RATIO | ASSESSED VALUE IN DOLLARS | EXEMPTIONS |
| | | | | | | NET ASSESSED VALUE |
| LIMITED | | | 13,420 | 16.0 | 2,147 | 2,147 |
| FULL CASH | | | 13,420 | 16.0 | 2,147 | 2,147 |
| PERSONAL PROPERTY | | | | | | |

| | | JURISDICTION | 2004 TAXES | 2003 TAXES | DIFFERENCE |
|-----------------------------|--------|------------------|---------------|---------------|------------|
| PRIMARY PROPERTY TAX | 210.66 | PIMA COUNTY PRI | 87.43 | 87.42 | .01 |
| | | SCHOOL EQUAL. | 9.79 | 10.13 | .34 |
| LESS STATE AID TO EDUCATION | .00 | SAHUARITA 30 PRI | 89.52 | 101.58 | 12.06 |
| | | PIMA COLLEGE PRI | 23.92 | 24.39 | .47 |
| NET PRIMARY PROPERTY TAX | 210.66 | COUNTY BONDS SEC | 17.50 | 17.51 | .01 |
| | | SAHUARITA 30 SEC | 88.89 | 91.90 | 3.01 |
| SECONDARY PROPERTY TAX | 126.97 | PIMA COLLEGE SEC | 4.91 | 7.57 | 2.66 |
| | | CEN ARIZ WTR SEC | 2.58 | 2.58 | 0.00 |
| TOTAL TAX DUE FOR 2004 | 337.63 | PIMA CO FLD SEC | 7.61 | 7.61 | 0.00 |
| | | LIBRARY DISTRICT | 4.56 | 4.56 | 0.00 |
| | | FIRE DIST ASSIST | .92 | .95 | .03 |

PTN E196' W339.36' N356.01' NW4 SE4 1.22 AC
SEC 36-10-12

TOTALS

337.63

356.20

18.57

PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2004. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 2, 2005. The minimum acceptable payment is 10 or 10% of the payment due, whichever is greater.

0199420 01 AC 0.275 **AUTOCR T7 5 0781 85645-073333
AUTOCR**B-007

|||||
CAYETANO INC DBA LAKEWOOD WATER CO
PO BOX 733
AMADO AZ 85645-0733

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

Please make your check
payable to
Beth Ford, Pima County Treasurer
and mail to:

Beth Ford
Pima County Treasurer
PO Box 98765
Phoenix AZ 85038-0765



PLEASE INCLUDE YOUR
STATE CODE NUMBER
ON YOUR CHECK.

| BOOK | STATE CODE # MAP | PARCEL | AREA CODE | PRIMARY TAX RATE PER \$100 ASSESSED VALUE | SECONDARY TAX RATE PER \$100 ASSESSED VALUE | IRRIGATION DISTRICT \$ PER ACRE |
|------|---------------------|--------|--------------|--|--|------------------------------------|
| 304 | 32 | 43304 | 3000 | 9.8117 | 5.9133 | |

| ASSESSMENT | VALUE IN DOLLARS | ASSESSMENT RATIO | ASSESSED VALUE IN DOLLARS | EXEMPTIONS | NET ASSESSED VALUE |
|-------------------|------------------|---------------------|------------------------------|------------|-----------------------|
| LIMITED | 500 | 25.0 | 125 | | 125 |
| FULL CASH | 500 | 25.0 | 125 | | 125 |
| PERSONAL PROPERTY | | | | | |

| 2004 TAX SUMMARY | JURISDICTION | 2004 TAXES | 2003 TAXES | DIFFERENCE |
|-----------------------------|------------------|---------------|---------------|------------|
| PRIMARY PROPERTY TAX | PIMA COUNTY PRI | 5.09 | 5.09 | 0.00 |
| | SCHOOL EQUAL. | .57 | .59 | .02 |
| LESS STATE AID TO EDUCATION | SAHUARITA 30 PRI | 5.21 | 5.92 | .71 |
| | PIMA COLLEGE PRI | 1.39 | 1.42 | .03 |
| NET PRIMARY PROPERTY TAX | COUNTY BONDS SEC | 1.02 | 1.02 | 0.00 |
| | SAHUARITA 30 SEC | 5.18 | 5.36 | .18 |
| SECONDARY PROPERTY TAX | PIMA COLLEGE SEC | .29 | .44 | .15 |
| | CEN ARIZ WTR SEC | .15 | .15 | 0.00 |
| TOTAL TAX DUE FOR 2004 | PIMA CO FLD SEC | .44 | .44 | 0.00 |
| | LIBRARY DISTRICT | .27 | .27 | 0.00 |
| | FIRE DIST ASSIST | .05 | .06 | .01 |

30' X 30' WELL SITE IN E CENT PTN OF SE4 SE4 LY6

ADJ TO NLY LINE OF ARIVACA RD .02 AC SEC 36-10-12

TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER

GROUP NO 145 (LAKEWOOD WATER CO)

TOTALS

19.66

20.76

1.10-

PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with our payment postmarked no later than Nov. 1, 2004. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 2, 2005. The minimum acceptable payment is 10 or 10% of the payment due, whichever is greater.

0198422 01 AC 0.275 **AUTOCR T7 5 0781 85645-073333

AUTOCR**B-007



LAKEWOOD WATER CO

ATTN: CHRISTOPHER W HILL

PO BOX 733

AMADO AZ 85645-0733

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

Please make your check
payable to

Beth Ford, Pima County Treasurer
and mail to:

Beth Ford
Pima County Treasurer
PO Box 98765
Phoenix AZ 85038-0765



PLEASE INCLUDE YOUR
STATE CODE NUMBER
ON YOUR CHECK.

| BOOK | STATE CODE # MAP | PARCEL | AREA CODE | PRIMARY TAX RATE PER \$100 ASSESSED VALUE | SECONDARY TAX RATE PER \$100 ASSESSED VALUE | IRRIGATION DISTRICT \$ PER ACRE |
|------------------------|---------------------|---------------------|------------------------------|--|--|------------------------------------|
| 304 | 32 | 43201 | 3000 | 9.8117 | 5.9133 | |
| ADDITIONAL INFORMATION | | | | | | |
| | VALUE IN DOLLARS | ASSESSMENT RATIO | ASSESSED VALUE IN DOLLARS | EXEMPTIONS | NET ASSESSED VALUE | |
| LIMITED | 500 | 25.0 | 125 | | 125 | |
| FULL CASH | 500 | 25.0 | 125 | | 125 | |
| PERSONAL PROPERTY | | | | | | |

| | | JURISDICTION | 2004 TAXES | 2003 TAXES | DIFFERENCE |
|-----------------------------|-------|--------------------------------------|---------------|---------------|--------------|
| PRIMARY PROPERTY TAX | 12.26 | PIMA COUNTY PRI SCHOOL EQUAL. | 5.09 .57 | 5.09 .59 | 0.00 .02 |
| LESS STATE AID TO EDUCATION | .00 | SAHUARITA 30 PRI PIMA COLLEGE PRI | 5.21 1.39 | 5.92 1.42 | .71 .03 |
| NET PRIMARY PROPERTY TAX | 12.26 | COUNTY BONDS SEC SAHUARITA 30 SEC | 1.02 5.18 | 1.02 5.36 | 0.00 .18 |
| SECONDARY PROPERTY TAX | 7.40 | PIMA COLLEGE SEC CEN ARIZ WTR SEC | .29 .15 | .44 .15 | .15 0.00 |
| TOTAL TAX DUE FOR 2004 | 19.66 | PIMA CO FLD SEC LIBRARY DISTRICT | .44 .27 | .44 .27 | 0.00 0.00 |
| | | FIRE DIST ASSIST | .05 | .06 | .01 |

INN L SHAPED PCL ADJ TO 30' WELLSITE IN SE4 SE4
 ADJ TO N LINE OF ARIVACA RD .02 AC SEC 38-19-12
 TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER
 GROUP NO 146

PAID
 4-27-05

PAID
 #4466 1st 1/2
 10-7-04

TOTALS

20.76

1.10

PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2004. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 2, 2005. The minimum acceptable payment is \$10 or 10% of the payment due, whichever is greater.

0199421 01 AC 0.275 **AUTOCH T7 5 0781 85645-073333
 AUTOCH**B-007

LAKEWOOD WATER CO
 CHRISTOPHER W. HILL/PRESIDENT
 P O BOX 733
 AMADO AZ 85645-0733

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK
 AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

Please make your check
 payable to

Beth Ford, Pima County Treasurer
 and mail to:

Beth Ford
 Pima County Treasurer
 PO Box 98765
 Phoenix AZ 85038-0765

PLEASE INCLUDE YOUR
 STATE CODE NUMBER
 ON YOUR CHECK.



COMPANY NAME LAKEWOOD WATER CO YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 6967.29

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME Lakewood Water Co. YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported (6,789)
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported (6,789)
Estimated or Actual State Tax Liability \$45

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \$0
Amount of Gross-Up Tax Collected \$0
Total Grossed-Up Contributions/Advances \$0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

5-11-04
DATE

CHRISTOPHER W. HILL
PRINTED NAME

President
TITLE

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

MAY 12 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

| | |
|--------------------------------|---------------------------|
| COUNTY OF (COUNTY NAME) | Pima |
| NAME (OWNER OR OFFICIAL) TITLE | Christopher W. Hill |
| COMPANY NAME | Valle Verde Water Company |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2004 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 98,102

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 5493.74

IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

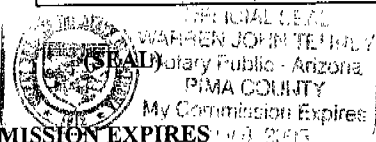
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

11

DAY OF

| | |
|-------------|------|
| COUNTY NAME | Pima |
| MONTH | May |
| | 2005 |



MY COMMISSION EXPIRES 11-11-2005

SIGNATURE OF OWNER OR OFFICIAL
520-348-1915
TELEPHONE NUMBER

SIGNATURE OF NOTARY PUBLIC

RECEIVED

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

MAY 12 2005

**AZ Corporation Commission
Director Of Utilities**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|---|------------------------|
| COUNTY OF (COUNTY NAME) <u>Pima</u> | |
| NAME (OWNER OR OFFICIAL) <u>CHRISTOPHER W. HILL</u> | TITLE <u>President</u> |
| COMPANY NAME <u>Lakeview Water Company</u> | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2004 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 92,953

(THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 5,205.39

IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

SIGNATURE OF OWNER OR OFFICIAL

520-398-9918
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

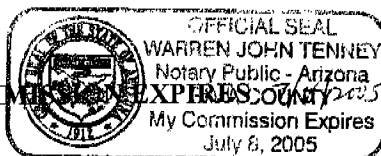
11

DAY OF

| | |
|---|------------------|
| NOTARY PUBLIC NAME <u>Warren John Tenney</u> | |
| COUNTY NAME <u>Pima</u> | |
| MONTH <u>5/11</u> | YEAR <u>2005</u> |

(SEAL)

MY COMMISSION



EXPIRES

July 8, 2005

SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

Lakewood Water Co.

Profit & Loss Prev Year Comparison

January through December 2004

| | Jan - Dec 04 | Jan - Dec 03 | \$ Change | % Change |
|------------------------------------|--------------|--------------|------------|----------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Operating Revenues | 92,953.47 | 92,620.66 | 332.81 | 0.4% |
| 400 - Metered Water Sales | 1,482.33 | 9,065.59 | -7,583.26 | -83.7% |
| 474 - Other Water Revenue | | | | |
| Total Operating Revenues | 94,435.80 | 101,686.25 | -7,250.45 | -7.1% |
| Total Income | 94,435.80 | 101,686.25 | -7,250.45 | -7.1% |
| Expense | | | | |
| Operating Expenses | | | | |
| 601 - Employee Wages | 26,182.00 | 23,699.00 | 2,483.00 | 10.5% |
| 605 - Bank Service Charges | 1,089.57 | 0.00 | 1,089.57 | 100.0% |
| 615 - Power Purchased for Pumping | 8,212.21 | 7,043.03 | 1,169.18 | 16.6% |
| 618 - Water Quality Testing | 2,068.15 | 1,833.62 | 234.53 | 12.8% |
| 619 - Chemicals for Disinfection | 221.00 | 108.83 | 112.17 | 103.1% |
| 620 - Repairs | 2,412.72 | 1,832.23 | 580.49 | 31.7% |
| 621 - Office Supplies | 2,345.77 | 3,356.84 | -1,011.07 | -30.1% |
| 630 - Outside Services | 16,613.25 | 15,890.00 | 723.25 | 4.6% |
| 630.1 - Outside Services - Randall | 6,000.00 | 6,000.00 | 0.00 | 0.0% |
| 640 - Rent - Office | 5,000.00 | 4,200.00 | 800.00 | 19.1% |
| 650 - Transportation expense | 250.00 | 0.00 | 250.00 | 100.0% |
| 653 - Travel | 1,261.14 | 0.00 | 1,261.14 | 100.0% |
| 655 - General Liability Insurance | 2,187.09 | 2,363.09 | -176.00 | -7.5% |
| 665 - Regulatory Comm Expense | 761.77 | 0.00 | 761.77 | 100.0% |
| 670 - Bad Debt Expense | 328.37 | 1,490.96 | -1,162.59 | -78.0% |
| 675 - Misc Expense | 1,208.83 | 1,837.03 | -628.20 | -34.2% |
| 680 - Taxes - Other | 1,951.77 | 1,772.47 | 179.30 | 10.1% |
| 681 - Property Tax Expense | 7,356.81 | 7,771.55 | -414.74 | -5.3% |
| Total Operating Expenses | 85,450.45 | 79,198.65 | 6,251.80 | 7.9% |
| 403 - Depreciation Expense | 13,481.56 | 12,272.63 | 1,208.93 | 9.9% |
| 409 - Income Tax | 50.00 | 50.00 | 0.00 | 0.0% |
| Total Expense | 98,982.01 | 91,521.28 | 7,460.73 | 8.2% |
| Net Ordinary Income | -4,546.21 | 10,164.97 | -14,711.18 | -144.7% |
| Other Income/Expense | | | | |
| Other Expense | 2,242.55 | 2,861.00 | -618.45 | -21.6% |
| 427 - Interest Expense | 2,242.55 | 2,861.00 | -618.45 | -21.6% |
| Total Other Expense | -2,242.55 | -2,861.00 | 618.45 | 21.6% |
| Net Other Income | -6,788.76 | 7,303.97 | -14,092.73 | -193.0% |
| Net Income | | | | |

12:41 PM

05/11/05

Accrual Basis

Lakewood Water Co.
Balance Sheet
As of December 31, 2004

Dec 31, 04

ASSETS**Current Assets****Checking/Savings****Cash In Bank**

131.1 - Petty Cash

100.00

131.2 - Savings-Future Capital

8,000.00

Total Cash In Bank

8,100.00

131 - Checking

5,097.71

Total Checking/Savings

13,197.71

Accounts Receivable

141 - Customer Accounts Receivable

4,407.09

143 - Provision for Uncollectible Acc

-10,389.80

Total Accounts Receivable

-5,982.71

Other Current Assets

151 - Materials and Supplies

450.00

186 - Deferred Debits

5,000.00

Total Other Current Assets

5,450.00

Total Current Assets

12,665.00

Fixed Assets

301 Organization

7,704.00

302 Franchises

94.04

303 Land

37,220.60

Utility Plant In Service

304 - Structures and Improvements

21,229.91

307 - Wells and Springs

17,078.00

311 - Pumping Equipment

61,787.66

330 - Dist Res & Standpipes

25,384.86

331 - Trans & Dist Mains

84,922.25

333 - Services

10,447.66

334 - Meters & Installations

27,490.64

340 - Office Furn & Eqs

8,540.21

341 - Transportation Equipment

1,800.00

343 - Tools & Shop Eq

2,547.57

345 - Power Operated Eq

606.00

Total Utility Plant In Service

261,834.76

108 - Accumulated Depreciation

-200,544.63

121 - Non Utility Property

-6,676.89

Total Fixed Assets

99,631.88

TOTAL ASSETS**112,296.88****LIABILITIES & EQUITY****Liabilities****Current Liabilities****Other Current Liabilities****Accrued Taxes**

236.1 - Accrued Sales Tax

380.10

236.2 - Accrued Taxes - Federal W/H

1,094.10

236.3 - Accrued Taxes - State W/H

87.91

236.4 - Accrued Taxes - Property

3,652.45

Total Accrued Taxes

5,214.56

235 - Customer Deposits

4,260.00

Total Other Current Liabilities

9,474.56

Total Current Liabilities

9,474.56

12:41 PM
05/11/05
Accrual Basis

Lakewood Water Co.
Balance Sheet
As of December 31, 2004

| | <u>Dec 31, 04</u> |
|---------------------------------------|--------------------------|
| Long Term Liabilities | |
| Deferred Credits | |
| 252 - Advances In Aid of Constr | 12,079.03 |
| 271 - Contributions in Aid of Const | 17,077.48 |
| 272 - Accum Amort of CIAC | <u>-4,664.75</u> |
| Total Deferred Credits | 24,491.76 |
| Long Term Debt | |
| 232.1 - Notes Payable - GEB | 10,487.42 |
| 232.2 - Notes Payable - VMB | <u>8,739.49</u> |
| Total Long Term Debt | 19,226.91 |
| Total Long Term Liabilities | 43,718.67 |
| Total Liabilities | 53,193.23 |
| Equity | |
| 201 - Capital Stock | 15,790.00 |
| 211 - Other Paid in Captial | -790.00 |
| 215 - Retained Earnings | 50,892.41 |
| Net Income | <u>-6,788.76</u> |
| Total Equity | 59,103.65 |
| TOTAL LIABILITIES & EQUITY | <u>112,296.88</u> |

12:41 PM
05/11/05
Accrual Basis

Lakewood Water Co.
Profit & Loss
January through December 2004

| | <u>Jan - Dec 04</u> |
|------------------------------------|---------------------|
| Ordinary Income/Expense | |
| Income | |
| Operating Revenues | |
| 400 · Metered Water Sales | 92,953.47 |
| 474 · Other Water Revenue | 1,482.33 |
| Total Operating Revenues | 94,435.80 |
| Total Income | 94,435.80 |
| Expense | |
| Operating Expenses | |
| 601 · Employee Wages | 26,182.00 |
| 605 · Bank Service Charges | 1,089.57 |
| 615 · Power Purchased for Pumping | 8,212.21 |
| 618 · Water Quality Testing | 2,068.15 |
| 619 · Chemicals for Disinfection | 221.00 |
| 620 · Repairs | 2,412.72 |
| 621 · Office Supplies | 2,345.77 |
| 630 · Outside Services | 16,613.25 |
| 630.1 · Outside Services - Randall | 6,000.00 |
| 640 · Rent - Office | 5,000.00 |
| 650 · Transportation expense | 250.00 |
| 653 · Travel | 1,261.14 |
| 655 · General Liability Insurance | 2,187.09 |
| 665 · Regulatory Comm Expense | 761.77 |
| 670 · Bad Debt Expense | 328.37 |
| 675 · Misc Expense | 1,208.83 |
| 680 · Taxes - Other | 1,951.77 |
| 681 · Property Tax Expense | 7,356.81 |
| Total Operating Expenses | 85,450.45 |
| 403 · Depreciation Expense | 13,481.56 |
| 409 · Income Tax | 50.00 |
| Total Expense | 98,982.01 |
| Net Ordinary Income | -4,546.21 |
| Other Income/Expense | |
| Other Expense | |
| 427 · Interest Expense | 2,242.55 |
| Total Other Expense | 2,242.55 |
| Net Other Income | -2,242.55 |
| Net Income | -6,788.76 |